

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8046

BILL NUMBER: HB 1727

DATE PREPARED: Jan 19, 1999

BILL AMENDED:

SUBJECT: Enforcement of environmental laws.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires money collected as certain environmental civil penalties to be deposited in the state General Fund instead of being credited to the Environmental Management Special Fund.

It requires: (1) the Department of Environmental Management to determine if the possible violation of an environmental law is a minor violation that may be corrected under the law concerning minor violations; and (2) the commissioner of the Department to issue written findings of fact that show why a violation may not be corrected under the law concerning minor violations before the Department may take any enforcement action against the alleged violator.

It prohibits the Department of Environmental Management from releasing any information to the public concerning an alleged environmental violation or any enforcement action to be taken to correct an alleged environmental violation until the alleged violator has been: (1) notified of the alleged violation; and (2) given a reasonable opportunity to respond to the notification.

It provides that, in determining the amount of a civil penalty to assess against a person who violates environmental laws, the person who imposes the penalty must consider: (1) the violator's history of previous violations of environmental laws; (2) the seriousness of the violation, including any irreparable harm to the environment and hazard to the health and safety of the public; and (3) the demonstrated good faith of the violator to achieve rapid compliance after notification of the violation.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: This bill provides that environmental civil penalty revenue is to be

deposited in the state General Fund instead of the Environmental Management Special Fund (EMSF). This will substantially reduce the amount of revenue deposited in the EMSF. Between FY 95 and FY 98, an average of approximately \$2.9 million was collected in civil penalty revenue. This represented between 50% and 70% of total revenue deposited in the EMSF. The EMSF also receives revenue from fees established under IC 13-16-1-2. Money in the EMSF is used exclusively for the purposes of the Indiana Department of Environmental Management (IDEM) and its boards.

This bill also requires IDEM to consider certain factors when determining the amount of a civil penalty to assess against a person who violates an environmental law, rule, or standard. This may decrease the amount of penalty imposed on some violators, which would decrease total penalty revenue. Under current law, a person who violates an environmental law, rule, or standard is liable for a civil penalty not to exceed \$25,000 per day.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Environmental Management; Treasurer of State.

Local Agencies Affected:

Information Sources: